



# AUSTIN MOBILITY

## Rideshare Report - Update

8.13.13

Austin Transportation Department



Austin Transportation Department





## COUNCIL ACTION ON RIDESHARE

### City Resolution on March 7, 2013:

- “The City Manager is directed to explore ridesharing regulations in other cities and make recommendations on the parameters within which ridesharing should be allowed in the City of Austin.”
- 
- City staff presented a rideshare report on May 31 with follow up action on a draft ordinance on June 6.





# MEETING OBJECTIVES

## Objectives:

- Explore and determine if a business model exists that takes advantage of Smart Phone Enabled Rideshare applications that could operate under existing City of Austin vehicle-for-hire ordinances and the proposed definitions for carpool and vanpool type activities.
- Seek input on rideshare models that could either operate under current code or under modified code.



# CORE INTERESTS

## City of Austin Core Interests:

- Safety of Traveling Public
- Reliable Transportation
- Consistently Priced
- Equally Accessible throughout the community regardless of time, geography or circumstance



# CORE INTERESTS

## Noted Stakeholder Core Interests:

- Income
- Good Definition (clarity)
- Modern transportation system (technology)
- Consistent regulation
- Equity: Insurance, price, background checks
- Choices and allow donation to recoup costs
- Ensure regulations do not impact current vanpool and carpooling or Federal programs
- Safety and reliability
- Availability (festivals and special events)
- Timing (regulation implementation)





# RIDESHARE OPTIONS CONSIDERED

## Rideshare Report to Council:

1. SPER providing car/vanpool activities – Unregulated service provided with reimbursement up to Federal rates
2. Regulate SPER's as Taxi Franchises
3. Regulate rideshare as a new vehicle-for-hire category
4. Deregulate all vehicles-for-hire.

# BUSINESS MODEL PROPOSALS

## Sidecar Program Details:

Program Attributes	Description	Comments
Fee to Passenger	Suggested Donations at the end of the ride, “based on supply and demand principles that are at the core of functional markets”	May exceed \$0.565/mi., which is IRS reimbursement rate
Insurance	Up to \$750,000/\$1,000,000 per incident	—
Vehicle/Driver Safety	Company requires 2000 or later model vehicles, independent inspections of criminal and driving history and vehicles	—
Ride Matching	Passenger indicates origin and destination. No established common purpose	—
Company Funding Model	Up to 20% of driver earnings	—
Platform	Smartphone Application (website guides you to Smartphone)	—
Concept	Passenger Convenience	—
Public/Private Partnerships	None	—
Incentives for Drivers	Donations	—

# BUSINESS MODEL PROPOSALS (cont.)

## Avego (Carma) Program Details:

Program Attributes	Description	Comments
Fee to Passenger	\$0.20/mile up to \$0.565/mile	Costs capped to maximum IRS reimbursement rate
Insurance	State required personal liability	Non-commercial
Vehicle/Driver Safety	Not vetted – Non-commercial	—
Ride Matching	Blind Matching (Establishes common purpose of driver and passenger)	—
Company Funding Model	Federal Grant for congestion relief and \$0.03/mile from passenger fare	—
Platform	Smartphone Application and Website	—
Concept	Casual Carpooling	—
Public/Private Partnerships	4 (San Francisco, Santa Barbara, D.C., Austin with CTRMA)	—
Incentives for Drivers	Toll discounts, business discounts, passenger fee as indicated above	—

# BUSINESS MODEL PROPOSALS (cont.)

## NuRide Program Details:

Program Attributes	Description	Comments
Fee to Passenger	None Reported	—
Insurance	State required personal liability	Non-commercial
Vehicle/Driver Safety	Not vetted – Non-commercial	—
Ride Matching	Blind Matching (Establishes common purpose of driver and passenger)	—
Company Funding Model	Public/Private Partnerships based on sponsorships	Starts at \$2,000/month
Platform	Website	—
Concept	Promote “greener” trips	Ridesharing, transit, biking, telecommuting
Public/Private Partnerships	6 (Massachusetts, Connecticut, D.C., Hampton Roads, Houston, and San Antonio) No longer operating in Austin.	—
Incentives for Drivers	Coupons, discounts, tickets to attractions and events	—



# CALIFORNIA PUBLIC UTILITIES COMMISSION

## CPUC Proposed Decision – July 30, 2013

- Require each TNC (SPER) to be licensed by the CPUC
- “Innovation does not, however, alter the Commission’s obligation to protect public safety, especially where, as here, the core service being provided – passenger transportation on public roadways – has potential safety impacts for third parties and property.”
- “We reject the arguments made by Lyft and SideCar that any payment for rides arranged through their apps is voluntary and find that TNC’s are engaged in the transportation of persons for compensation.”
- “In our view the Commission firmly believes that TNCs do not meet the rideshare exemption and actually are for-hire transportation services.”



# CALIFORNIA PUBLIC UTILITIES COMMISSION

## CPUC Proposed Decision – July 30, 2013 (cont.)

- “Services provided by TNCs are thus very different from traditional, longstanding forms of ridesharing. TNCs are clearly designed to provide a service similar to taxis and TCPs, for compensation.”
- “There is nothing about the ‘new business model’ of offering for-hire transportation services through the mechanism of a smartphone application that justifies abandoning the fundamental regulatory infrastructure of the transportation for-hire industry, or that changes the level of regulatory concern. The underlying principal continues to be ensuring public safety. Regulation is the safety net that the public should rely on for its protection.”





# STAFF RECOMMENDATION

## Rideshare Services

- Providing service to persons with accessible/special needs, individuals without smartphones or credit cards was not addressed to a level that staff could recommend a provider for a pilot program.
- City staff echoes the California PUC recent findings that the current operations of Smart Phone Enabled Rideshare applications do not meet the rideshare exemption and actually are for-hire transportation services.
- The underlying principal continues to be ensuring public safety.





## MOVING FORWARD

Staff will present recommendations to the Austin City Council for approval on the August 22<sup>nd</sup> Council agenda.